

TEEKAY CORP
Form 6-K
November 25, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

Date of report: November 10, 2011

Commission file number 1- 12874

TEEKAY CORPORATION

(Exact name of Registrant as specified in its charter)

4th Floor, Belvedere Building

69 Pitts Bay Road

Hamilton, HM 08 Bermuda

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).

Yes No

Item 1 Information Contained in this Form 6-K Report

Attached as Exhibit I is [XXXXXXXXXXXXXXXXXX]

EXPLANATORY NOTE: [XXXXXXXXXXXXXXXXXX]

THIS REPORT ON FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE FOLLOWING REGISTRATION STATEMENTS OF THE COMPANY.

- REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 33-97746) FILED WITH THE SEC ON OCTOBER 4, 1995;**
 - REGISTRATION STATEMENT ON FORM S-8 (NO. 333-42434) FILED WITH THE SEC ON JULY 28, 2000;**
 - REGISTRATION STATEMENT ON FORM S-8 (NO. 333-119564) FILED WITH THE SEC ON OCTOBER 6, 2004;**
 - REGISTRATION STATEMENT ON FORM S-8 (NO. 333-147683) FILED WITH THE SEC ON NOVEMBER 28, 2007; AND**
 - REGISTRATION STATEMENT ON FORM S-8 (NO. 333-166523) FILED WITH THE SEC ON MAY 5, 2010.**
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TEEKAY CORPORATION
4th Floor, Belvedere Building, 69 Pitts Bay Road
Hamilton, HM 08, Bermuda

EARNINGS RELEASE
TEEKAY CORPORATION
REPORTS THIRD QUARTER RESULTS

Highlights

Third quarter 2011 cash flow from vessel operations of \$157.4 million, up 18 percent from the same period of the prior year.

Third quarter 2011 adjusted net loss attributable to stockholders of Teekay of \$40.6 million, or \$0.58 per share (excluding specific items which increased GAAP net loss by \$250.6 million, or \$3.62 per share).

Agreed to acquire three FPSO units from Sevan Marine ASA and make an equity investment in exchange for a 40 percent ownership interest in a recapitalized Sevan.

Teekay LNG Partners/Marubeni joint venture agreed to acquire Maersk LNG fleet.

Total consolidated liquidity of \$1.8 billion as at September 30, 2011, of which approximately \$700 million was at Teekay Parent.

As at November 10, 2011, 5.2 million (\$162 million) of Teekay Corporation shares were repurchased under existing \$200 million authorization.

Hamilton, Bermuda, November 10, 2011 Teekay Corporation (*Teekay* or *the Company*) (NYSE: TK) today reported an adjusted net loss attributable to stockholders of Teekay⁽¹⁾ of \$40.6 million, or \$0.58 per share, for the quarter ended September 30, 2011, compared to an adjusted net loss attributable to the stockholders of Teekay of \$53.3 million, or \$0.73 per share, for the same period of the prior year. Adjusted net loss attributable to stockholders of Teekay excludes a number of specific items that had the net effect of increasing GAAP net loss by \$250.6 million (or \$3.62 per share) for the three months ended September 30, 2011 and increasing GAAP net loss by \$132.8 million (or \$1.82 per share) for the three months ended September 30, 2010, as detailed in *Appendix A* to this release. Including these items, the Company reported on a GAAP basis, a net loss attributable to the stockholders of Teekay of \$291.2 million, or \$4.20 per share, for the quarter ended September 30, 2011, compared to net loss attributable to the stockholders of Teekay of \$186.0 million, or \$2.55 per share, for the same period of the prior year. Net revenues⁽²⁾ for the third quarter of 2011 were \$428.5 million, compared to \$414.2 million for the same period of the prior year.

For the nine months ended September 30, 2011, the Company reported an adjusted net loss attributable to stockholders of Teekay⁽¹⁾ of \$104.7 million, or \$1.48 per share, compared to adjusted net loss attributable to the stockholders of Teekay of \$83.2 million, or \$1.14 per share, for the nine months ended September 30, 2010. Adjusted net loss attributable to stockholders of Teekay excludes a number of specific items that had the net effect of increasing GAAP net loss by \$312.6 million (or \$4.42 per share) for the nine months ended September 30, 2011 and increasing GAAP net loss by \$269.9 million (or \$3.70 per share) for the nine months ended September 30, 2010, as detailed in *Appendix A* to this release. Including these items, the Company reported on a GAAP basis, net loss attributable to the stockholders of Teekay of \$417.3 million, or \$5.90 per share, for the nine months ended September 30, 2011, compared to net loss attributable to the stockholders of Teekay of \$353.2 million, or \$4.84 per share, for the nine months ended September 30, 2010. Net revenues⁽²⁾ for the nine months ended September 30, 2011 were \$1,304.4 million, compared to \$1,400.4 million for the same period of the prior year.

- (1) Adjusted net income (loss) attributable to stockholders of Teekay is a non-GAAP financial measure. Please refer to *Appendix A* to this release for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable financial measure under United States generally accepted accounting principles (*GAAP*).
- (2) Net revenues represents revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions. Net revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's website at www.teekay.com for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable financial measure under GAAP.

On October 5, 2011, the Company declared a cash dividend on its common stock of \$0.31625 per share for the quarter ended September 30, 2011. The cash dividend was paid on October 31, 2011, to all shareholders of record on October 21, 2011.

During the past month, we have announced significant transactions in both our offshore and LNG businesses which will further strengthen our market positions in these important growth sectors, commented Peter Evensen, Teekay Corporation's President and Chief Executive Officer. Our proposed purchase of three FPSO units from Sevan Marine ASA will establish Teekay as the largest operator of leased FPSOs in the North Sea and the fourth largest FPSO operator globally, and we believe our equity investment in, and cooperation agreement with, a recapitalized Sevan will enhance our capabilities in offshore project development and provide a new source of potential growth projects for our offshore business. In addition, Teekay LNG Partners' pending acquisition, through a joint venture with Marubeni Corporation, of an interest in eight on-the water LNG carriers from A.P. Moller-Maersk will increase our presence in the growing global LNG shipping market and is expected to contribute additional general partnership cash flows to Teekay Parent. Together, these transactions will add approximately \$2 billion of forward fixed-rate revenue bringing our total portfolio of forward fixed-rate contract revenues to approximately \$16 billion, with an average contract duration of nine years. Following completion of these acquisitions and our previously announced newbuilding and conversion projects, Teekay's invested capital in the offshore and gas segments will represent approximately 80 percent of our consolidated invested capital.

Upon completion, these strategic investments in fixed-rate LNG carriers and FPSO units are expected to improve our profitability and provide further insulation from the current weak spot tanker market which continues to experience an oversupply of vessels relative to demand, Mr. Evensen added. Although the spot tanker market improved in certain regions during October 2011, this was largely due to short-lived seasonal factors. With further market weakness expected until the pace of conventional tanker newbuilding deliveries slows towards the end of 2012 and early 2013, we continue to reduce our spot market exposure through redeliveries of time-chartered-in vessels and time-chartering out of vessels at fixed-rates. Due to the significant reduction in spot conventional tanker rates and asset values during the past several quarters, for accounting purposes, we recorded non-cash impairment charges in the third quarter of 2011 primarily associated with certain of our smaller product tankers, certain of our older conventional tankers and goodwill related to our conventional tanker business segment. It is important to note that these non-cash charges do not affect our operations, cash flows, liquidity, or any of our loan covenants.

Over the past few years, Teekay's daughter company structure has been an important part of positioning the Company for profitable growth by enabling us to delever our balance sheet and build liquidity, Mr. Evensen continued. In the coming quarters, our main focus will be on completing the Maersk LNG and proposed Sevan transactions, executing on our existing offshore newbuilding and conversion projects, and improving the profitability of our existing business operations.

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Operating Results

The following tables highlight certain financial information for each of Teekay's four publicly-listed entities: Teekay Offshore Partners L.P. (*Teekay Offshore*) (NYSE: TOO), Teekay LNG Partners L.P. (*Teekay LNG*) (NYSE: TGP), Teekay Tankers Ltd. (*Teekay Tankers*) (NYSE: TNK) and Teekay, excluding results attributed to Teekay Offshore, Teekay LNG and Teekay Tankers, referred to herein as *Teekay Parent*. A brief description of each entity and an analysis of its respective financial results follow the tables below. Please also refer to the Fleet List section below and Appendix B to this release for further details.

Three Months Ended September 30, 2011**(unaudited)**

| (in thousands of U.S. dollars) | Teekay | | | | Teekay | |
|---|----------------------|------------------------|---------------------|-------------------------|---------------------------|---------------------------------|
| | Offshore Partners LP | Teekay LNG Partners LP | Teekay Tankers Ltd. | Teekay Parent | Consolidation Adjustments | Teekay Corporation Consolidated |
| Net revenues | 208,804 | 96,949 | 28,966 | 152,625 | (58,833) | 428,511 |
| Vessel operating expense | 71,641 | 22,366 | 10,908 | 67,457 | | 172,372 |
| Time-charter hire expense | 18,620 | | 1,610 | 86,036 | (58,833) | 47,433 |
| Depreciation and amortization | 46,905 | 23,032 | 10,797 | 27,012 | | 107,746 |
| Cash flow from vessel operation ⁽¹⁾⁽²⁾ | 105,227 | 70,402 | 14,521 | (32,736) ⁽³⁾ | | 157,414 |
| Net debt ⁽⁴⁾ | 1,764,269 | 1,446,447 | 335,246 | 893,554 | | 4,439,516 |

Three Months Ended September 30, 2010**(unaudited)**

| (in thousands of U.S. dollars) | Teekay | | | | Teekay | |
|---|----------------------|------------------------|---------------------|-------------------------|---------------------------|---------------------------------|
| | Offshore Partners LP | Teekay LNG Partners LP | Teekay Tankers Ltd. | Teekay Parent | Consolidation Adjustments | Teekay Corporation Consolidated |
| Net revenues | 181,819 | 92,877 | 34,098 | 144,012 | (38,573) | 414,233 |
| Vessel operating expense | 67,036 | 20,963 | 10,596 | 60,975 | | 159,570 |
| Time-charter hire expense | 20,352 | | | 86,244 | (38,573) | 68,023 |
| Depreciation and amortization | 47,179 | 22,126 | 11,267 | 28,622 | | 109,194 |
| Cash flow from vessel operation ⁽¹⁾⁽²⁾ | 77,891 | 66,623 | 18,773 | (29,394) ⁽³⁾ | | 133,893 |
| Net debt ⁽⁴⁾ | 1,334,077 | 1,490,747 | 408,284 | 623,596 | | 3,856,704 |

(1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel/goodwill write-downs, gains and losses on the sale of vessels and unrealized gains and losses relating to derivatives, but includes realized gains and losses on the settlement of foreign currency forward contracts. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's website at www.teekay.com

for a reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

- (2) Excludes the cash flow from vessel operations relating to assets acquired from Teekay Parent for the periods prior to their acquisition by Teekay Offshore, Teekay LNG and Teekay Tankers, respectively, as those results are included in the historical results for Teekay Parent.
- (3) In addition to Teekay Parent's cash flow from vessel operations, Teekay Parent also receives cash dividends and distributions from its daughter public companies. For the three months ended September 30, 2011 and 2010, Teekay Parent received daughter company dividends and distributions totaling \$34.9 million and \$45.8 million, respectively. The dividends and distributions received by Teekay Parent include those made with respect to its general partner interests in Teekay Offshore and Teekay LNG and its 49 percent interest in Teekay Offshore Operating L.P., which was controlled by Teekay Offshore, prior to the sale of this interest to Teekay Offshore on March 8, 2011. Please refer to *Appendix D* to this release for further details.
- (4) Net debt represents current and long-term debt less cash and, if applicable, current and long-term restricted cash.

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Teekay Offshore Partners L.P.

Teekay Offshore is an international provider of marine transportation, oil production and storage services to the offshore oil industry through its fleet of 40 shuttle tankers (including four chartered-in vessels, and four committed newbuildings), two floating, production, storage and offloading (*FPSO*) units, five floating, storage and offtake (*FSO*) units and 10 conventional oil tankers. Teekay Offshore's interests in its owned fleet range from 50 to 100 percent. Teekay Offshore also has the right to participate in certain other *FPSO* and vessel opportunities. As at September 30, 2011, Teekay Parent owned a 36.5 percent interest in Teekay Offshore (including the 2 percent sole general partner interest).

Cash flow from vessel operations from Teekay Offshore increased to \$105.2 million in the third quarter of 2011, from \$77.9 million in the same period of the prior year. This increase was primarily due to the acquisition from Teekay of the *Cidade de Rio das Ostras* *FPSO* unit on October 1, 2010, a planned maintenance shutdown on the *Petrojarl Varg* *FPSO* unit in the third quarter of 2010, higher project revenues from the shuttle tanker fleet during the third quarter of 2011, higher revenues relating to the amended Statoil master agreement effective September 2010 (which includes the contribution from the *Amundsen Spirit* and *Nansen Spirit* which were acquired during the fourth quarter of 2010, and the *Peary Spirit* which was acquired in August 2011, and lower time-charter hire expenses resulting from re-delivery of two in-chartered vessels. This was partially offset by lower revenue as a result of fewer revenue days from vessels operating under contracts of affreightment as well as the sale of the *Karratha Spirit* *FSO* unit during the first quarter of 2011.

In July 2011, Teekay Offshore sold 0.7 million common units in a private placement for net proceeds of \$20.4 million (including the general partners' contribution), which were used to partially finance the shipyard installments relating to four newbuilding shuttle tankers to be constructed by Samsung Heavy Industries for a total delivered cost of approximately \$480 million. Upon their scheduled delivery in mid- to late-2013, the vessels will commence operations under 10-year time-charter contracts, which include certain contract extension and vessel purchase options, with a subsidiary of BG Group plc to provide shuttle tanker services in Brazil.

In early August 2011, Teekay Offshore sold its 1993-built conventional Aframax tanker, the *Scotia Spirit*, to a third party for net proceeds of \$8.3 million.

In early October 2011, Teekay Offshore acquired the *Scott Spirit* shuttle tanker newbuilding from Teekay Parent for a total purchase price of approximately \$116 million, including \$93.3 million of assumed debt. The purchase price is subject to adjustment for up to an additional \$12 million based upon incremental shuttle tanker revenues generated during the two years following acquisition.

In early November 2011, Teekay Offshore agreed to acquire the *Sevan Piranema* (*Piranema*) *FPSO* from Sevan Marine ASA for a purchase price of approximately \$165 million. The 2007-built *Piranema* *FPSO* is currently operating under a long-term charter to Petrobras S.A. on the Piranema field located offshore Brazil. The charter includes a firm contract period ending in March 2018 followed by up to 11 one-year extension options and includes cost escalation clauses. The transaction is expected to close in the fourth quarter of 2011. In early November 2011, Teekay Offshore announced that it had agreed to sell approximately 7.1 million common units in an equity private placement for proceeds of approximately \$170 million a portion of which will be used to finance the acquisition of the *Piranema* *FPSO*.

For the third quarter of 2011, Teekay Offshore's quarterly distribution was \$0.50 per unit. The cash distribution to be received by Teekay Parent based on its common unit ownership and general partnership interest in Teekay Offshore totals \$13.4 million for the third quarter of 2011, as detailed in *Appendix D* to this release.

Teekay LNG Partners L.P.

Teekay LNG provides liquefied natural gas (*LNG*), liquefied petroleum gas (*LPG*) and crude oil marine transportation services under long-term, fixed-rate charter contracts with major energy and utility companies through its current fleet of 20 *LNG* carriers, five *LPG*/Multigas carriers and 11 conventional tankers. Teekay LNG's ownership interests in these vessels range from 33 to 100 percent. In addition, Teekay LNG has agreed to acquire a 33 percent interest in one remaining newbuilding *LNG* carrier from Teekay Parent in early 2012, upon its delivery from the shipyard. Teekay LNG also expects to acquire, through the Teekay LNG Marubeni joint venture, ownership interests in eight *LNG* carriers as described below. As at September 30, 2011, Teekay Parent owned a 43.6 percent interest in Teekay LNG

(including the 2 percent sole general partner interest).

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Cash flow from vessel operations from Teekay LNG during the third quarter of 2011 increased to \$70.4 million from \$66.6 million in the same period of the prior year. This increase was primarily due to the acquisition of a Multigas carrier in mid-June 2011 and an LPG carrier in mid-September 2011 and fewer off-hire days relating to scheduled drydockings for the conventional tanker fleet, partially offset by the sale of the *Dania Spirit* LPG carrier in November 2010.

In October 2011, Teekay LNG announced that its joint venture with Marubeni Corporation (*Marubeni*) (*the Teekay LNG Marubeni Joint Venture*) agreed to acquire ownership interests in eight LNG carriers (*the Maersk LNG Carriers*) from Denmark-based global conglomerate, A.P. Moller-Maersk A/S, for an aggregate purchase price of approximately \$1.402 billion. The Teekay LNG Marubeni Joint Venture, in which Teekay LNG and Marubeni have 52 percent and 48 percent economics, respectively, but share control, will acquire 100 percent interests in six LNG carriers and 26 percent interests in the two remaining LNG carriers. The transaction is expected to close by early 2012. To finance this transaction, the Teekay LNG Marubeni Joint Venture has secured loan facilities, which on a combined basis total approximately \$1.12 billion. The remaining \$280 million of the purchase price is expected to be financed with equity contributions from Teekay LNG and Marubeni, commensurate with the respective joint venture ownership interests. In early November 2011, Teekay LNG completed a public equity offering of 5.5 million common units (before underwriters' overallotment option), raising net proceeds of approximately \$179.5 million (including Teekay Parent's contribution to maintain its 2 percent general partnership interest) which will be used to fully finance Teekay LNG's \$146 million pro rata equity contribution for the Maersk LNG Carriers.

Between late-August and late-October 2011, Teekay LNG acquired from Teekay Parent a 33 percent interest in the first three newbuilding Angola LNG carriers upon their respective deliveries, for a total equity purchase price of approximately \$57 million. Upon delivery, each vessel commenced its respective 20-year fixed-rate charter to the Angola LNG Project. In addition, in September and October 2011, Teekay LNG took delivery of the final newbuilding LPG carrier and final newbuilding Multigas carrier, for a combined cost of approximately \$88 million. Upon their deliveries, the vessels commenced 15-year charters to I.M. Skaugen.

For the third quarter of 2011, Teekay LNG's quarterly distribution was \$0.63 per unit. The cash distribution to be received by Teekay Parent based on its common unit ownership and general partnership interest in Teekay LNG totals \$19.1 million for the third quarter of 2011, as detailed in *Appendix D* to this release.

Teekay Tankers Ltd.

Teekay Tankers' fleet includes 11 Aframax tankers and six Suezmax tankers (including two in-chartered Aframax tankers). In addition, Teekay Tankers owns a 50 percent interest in a VLCC newbuilding scheduled to deliver in April 2013 and has invested \$115 million in three-year, first-priority mortgage loans secured by two VLCC newbuildings which yield an average of 10 percent per annum. Of the 17 vessels currently in operation, 9 are subject to fixed-rate time-charters, generally ranging from one to three years in initial duration, with the remaining vessels trading in Teekay's spot tanker pools. Teekay Parent currently owns a 26.0 percent interest in Teekay Tankers (including 100 percent of the outstanding Class B common shares, which together with its current ownership of Class A common shares, provides Teekay voting control of Teekay Tankers).

Cash flow from vessel operations from Teekay Tankers decreased to \$14.5 million in the third quarter of 2011, from \$18.8 million in the same period of the prior year, primarily due to lower average realized tanker rates for its spot and fixed fleets during the third quarter of 2011, compared to the same period of the prior year.

For the third quarter of 2011, Teekay Tankers declared a dividend of \$0.15 per share. Based on its ownership of Teekay Tankers Class A and Class B shares, the dividend to be paid to Teekay Parent will total \$2.4 million for the third quarter of 2011, as detailed in *Appendix D* to this release.

Teekay Tankers recently time-chartered out two Aframax tankers, at rates above current spot tanker market levels, for firm periods of two and three years, respectively. These charter transactions will increase Teekay Tankers' fixed-rate contract coverage to approximately 63 percent for the fourth quarter of 2011 and 48 percent for fiscal 2012, which includes the fixed income provided by Teekay Tankers' investment in first-priority mortgage loans described above.

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Teekay Parent

In addition to its equity ownership interests in Teekay Offshore, Teekay LNG and Teekay Tankers, Teekay Parent directly owns a substantial fleet of vessels. As at November 1, 2011, this included 17 conventional tankers, five FPSO units (including two which are currently under construction or conversion) and a 33 percent interest in one newbuilding LNG carrier. In addition, as at November 1, 2011, Teekay Parent had 16 chartered-in conventional tankers (including eight vessels owned by its subsidiaries), two chartered-in LNG carriers owned by Teekay LNG and two chartered-in shuttle tankers owned by Teekay Offshore.

In the third quarter of 2011, Teekay Parent generated negative cash flow from vessel operations of \$32.7 million, compared to negative cash flow from vessel operations of \$29.4 million in the same period of the prior year. The decrease in cash flow is primarily due to the sale of vessels, including the *Cidade de Rio das Ostras* FPSO unit to Teekay Offshore in October 2010, one Suezmax tanker and one Aframax tanker to Teekay Tankers during November 2010, and a decrease in average realized spot tanker rates for the third quarter of 2011 compared to the same period in the prior year, partially offset by higher cash flows from the FPSO fleet and the LNG fleet.

In October 2011, Teekay Parent entered into an agreement to acquire the *Piranema*, the *Sevan Hummingbird* (*Hummingbird*) and *Sevan Voyageur* (*Voyageur*) FPSO units, including their existing charter contracts, from Sevan for a total purchase price of approximately \$668 million. Subsequently, Teekay Offshore agreed to acquire the *Piranema* FPSO directly from Sevan for \$165 million, reducing the total purchase price to Teekay Parent for the remaining two FPSO units to \$503 million. As part of the proposed transaction between Teekay Parent and Sevan, Teekay Parent will fund the remaining cost required to complete the upgrade of the *Voyageur* FPSO, which is estimated to be between \$110 and \$130 million, prior to the commencement of its new long-term contract in the third quarter of 2012. In addition, Teekay Parent will invest \$25 million to acquire a 40 percent ownership interest a recapitalized Sevan and also enter into a cooperation agreement, whereby Teekay would have the right to acquire future offshore projects developed by Sevan. The transactions between Teekay Offshore and Sevan and Teekay Parent and Sevan are subject to the negotiation of definitive documentation and other conditions and are expected to close during the fourth quarter of 2011, except for the purchase of the *Voyageur* FPSO, which is expected to be completed in the third quarter of 2012.

In October 2011, Teekay Parent also sold the *Scott Spirit* shuttle tanker newbuilding, the fourth and final vessel in the Explorer class of shuttle tankers which includes the *Amundsen Spirit*, *Peary Spirit* and *Nansen Spirit*, to Teekay Offshore for a total purchase price of approximately \$116 million, including \$93.3 million of debt which was assumed by Teekay Offshore. The purchase price is subject to adjustment for up to an additional \$12 million based upon incremental shuttle tanker revenues generated during the two years following acquisition.

Tanker Market

Crude tanker rates weakened significantly during the third quarter of 2011, primarily due to an oversupply of vessels relative to demand. In addition, a number of isolated and seasonal factors exerted downward pressure on rates during the quarter. The decision by International Energy Agency (*IEA*) member countries to release 60 million barrels (*mb*) of oil from government stockpiles impeded tanker demand during the quarter, particularly in the United States where 30 *mb* of crude oil was released from reserves. In Europe, the ongoing absence of Libyan oil exports as well as oilfield maintenance and unplanned outages in the North Sea further weighed down on crude tanker demand. Tanker rates have remained generally weak in the early part of the fourth quarter to date, though rates in the Mediterranean and Black Sea spiked significantly in October as a result of an increase in transit delays through the Turkish Straits due to stricter regulations on the passage of vessels during non-daylight hours.

The tanker fleet grew by 20.0 million deadweight tonnes (*mdwt*), or 4.4 percent, in the first three quarters of 2011 compared to a net increase of 14.5 *mdwt*, or 3.4 percent, in the same period last year. The level of new tanker ordering remains very low with just 6.4 *mdwt* of tanker orders placed in 2011 to date, of which 2.0 *mdwt* was attributed to shuttle tankers, compared to 40.0 *mdwt* of tanker orders in 2010, of which 0.7 *mdwt* was attributed to shuttle tankers. As a result, the global tanker order book has fallen to 96 *mdwt*, the lowest level since March 2006. Expressed as a percentage of the active tanker fleet, the order book is at its lowest level since February 2003 at 20 percent of the total fleet.

The International Monetary Fund (*IMF*) has lowered its projections for global GDP growth in 2011 and 2012 by 0.3 percent and 0.5 percent, respectively, to 4.0 percent in both years. The lower estimates reflect mounting concerns over the pace of economic growth in the developed economies, particularly due to sovereign debt and financial issues in the Euro area. Nevertheless, the IEA expects global oil demand growth of 1.0 million barrels per day (*mb/d*), or 1.1 percent in 2011 and a further 1.3 mb/d, or 1.4 percent, in 2012 driven primarily by projected demand in Asia, the Middle East and Latin America.

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Teekay Parent Conventional Tanker Fleet Performance

The table below highlights the operating performance of Teekay Parent's owned and in-chartered conventional tankers participating in the Company's commercial tonnage pools and vessels on period out-charters with an initial term greater than one year, measured in net revenues per revenue day, or time-charter equivalent (*TCE*) rates. Revenue days represent the total number of vessel calendar days less off-hire days associated with major repairs, drydockings, or mandated surveys.

| | Three Months Ended | | |
|--|-----------------------------------|--------------------------|-------------------------------|
| | September 30, 2011 | June 30, 2011 | September 30, 2010 |
| Suezmax | | | |
| Gemini Suezmax Pool average spot TCE rate ⁽¹⁾ | \$ 8,289 | \$ 17,461 | \$ 18,676 |
| Spot revenue days ⁽²⁾⁽³⁾ | 481 | 586 | 461 |
| Average time-charter rate ⁽⁴⁾⁽⁵⁾ | \$ 23,384 | \$ 24,464 | \$ 29,145 |
| Time-charter revenue days ⁽³⁾⁽⁴⁾ | 366 | 364 | 736 |
| Aframax | | | |
| Teekay Aframax Pool average spot TCE rate ⁽¹⁾⁽⁶⁾⁽⁷⁾ | \$ 10,496 | \$ 16,348 | \$ 13,770 |
| Spot revenue days ⁽²⁾⁽³⁾ | 1,105 | 1,349 | 1,223 |
| Average time-charter rate ⁽⁵⁾ | \$ 22,405 | \$ 23,662 | \$ 22,858 |
| Time-charter revenue days ⁽³⁾ | 793 | 727 | 1,084 |
| LR2 | | | |
| Taurus LR2 Pool average spot TCE rate ⁽¹⁾ | \$ 12,130 | \$ 15,509 | \$ 15,451 |
| Spot revenue days ⁽²⁾⁽³⁾ | 433 | 453 | 368 |
| MR | | | |
| Average product tanker time-charter rate ⁽⁵⁾ | \$ 33,172 | \$ 30,869 | \$ 28,269 |
| Time-charter revenue days ⁽³⁾ | 455 | 407 | 315 |

- (1) Average spot rates include short-term time-charters and fixed-rate contracts of affreightment that are initially under a year in duration and third-party vessels trading in the pools.
- (2) Spot revenue days include total owned and in-chartered vessels in the Teekay Parent fleet, but exclude vessels commercially managed on behalf of third parties. Suezmax spot revenue days exclude four vessels on back-to-back in-charters.
- (3) Average time-charter days are adjusted to reflect the vessel-equivalent number of days in the respective period that any synthetic time-charters (*STCs*) or forward freight agreements (*FFAs*) were in effect. For vessel classes in which *STCs* and *FFAs* are in effect, a corresponding reduction in spot revenue days is made in each of the respective periods.
- (4) Includes one VLCC on time-charter out at a TCE rate of \$47,000 per day prior to May 14, 2011 when this vessel was redelivered following the expiry of its time-charter in contract.
- (5) Average time-charter rates include realized gains and losses of *STCs* and *FFAs*, bunker hedges, short-term time-charters, and fixed-rate contracts of affreightment that are initially one year in duration or greater.

- (6) Excludes vessels greater than 15 years-old.
- (7) The average Teekay Aframax spot TCE rate (including vessels greater than 15 years old and realized results of bunker hedging, STCs and FFAs), was \$8,858 per day, \$15,423 per day and \$11,778 per day for the three months ended September 30, 2011, June 30, 2011 and September 30, 2010, respectively.

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Fleet List

As at November 1, 2011, Teekay's consolidated fleet consisted of 150 vessels, including chartered-in vessels and newbuildings under construction/conversion, but excluding vessels managed for third parties and vessels expected to be acquired as part of the Sevan and Maersk LNG transactions, as summarized in the following table:

| | Number of Vessels ⁽¹⁾ | | | |
|---|----------------------------------|-------------------------|----------------------------------|------------|
| | Owned Vessels | Chartered-in Vessels | Newbuildings / Conversions | Total |
| Teekay Parent Fleet | | | | |
| Spot-rate: | | | | |
| Aframax Tankers ⁽²⁾ | | 8 | | 8 |
| Suezmax Tankers | 5 | 1 | | 6 |
| LR2 Product Tankers | 2 | 1 | | 3 |
| Total Teekay Parent Spot Fleet | 7 | 10 | | 17 |
| Fixed-rate: ⁽³⁾⁽⁴⁾ | | | | |
| Aframax Tankers ⁽²⁾ | 3 | 3 | | 6 |
| Suezmax Tankers | 3 | 1 | | 4 |
| LR2 Product Tankers | 1 | | | 1 |
| MR Product Tankers | 3 | 2 | | 5 |
| FPSO Units | 3 | | 2 | 5 |
| Total Teekay Parent Fixed-rate Fleet | 13 | 6 | 2 | 21 |
| Total Teekay Parent Fleet | 20 | 16 | 2 | 38 |
| Teekay Offshore Fleet | 49 | 4 | 4 | 57 |
| Teekay LNG Fleet | 36 | | 1 | 37 |
| Teekay Tankers Fleet | 15 | 2 | 1 | 18 |
| Total Teekay Consolidated Fleet | 120 | 22 | 8 | 150 |

(1) Ownership percentages in these vessels range from 33 percent to 100 percent. Excludes vessels managed on behalf of third parties.

(2) Excludes eight vessels chartered-in from Teekay Offshore.

(3) Excludes two LNG carriers chartered-in from Teekay LNG.

(4) Excludes two shuttle tankers chartered-in from Teekay Offshore.

- more -

Liquidity and Capital Expenditures

As at September 30, 2011, Teekay had consolidated liquidity of \$1.8 billion, consisting of \$775.4 million cash and approximately \$975.6 million of undrawn revolving credit facilities, of which \$695.5 million, consisting of \$498.9 million cash and \$196.6 million of undrawn revolving credit facilities, is attributable to Teekay Parent.

The Company's remaining capital commitments relating to its portion of newbuildings and conversions were as follows as at September 30, 2011:

| (in millions) | 2011 | 2012 | 2013 | 2014 | Total |
|---|--------|--------|--------|-------|----------|
| Teekay Offshore | | \$ 78 | \$ 323 | | \$ 401 |
| Teekay LNG | | | | | |
| Teekay Tankers | | \$ 20 | \$ 20 | | \$ 40 |
| Teekay Parent* | \$ 172 | \$ 444 | \$ 277 | \$ 67 | \$ 960 |
| Total Teekay Corporation Consolidated** | \$ 172 | \$ 542 | \$ 620 | \$ 67 | \$ 1,401 |

* Includes among other things Teekay Parent's 50 percent interest in the Petrojarl Cidade de Itajai FPSO conversion project.

** Excludes the purchase price related to the Sevan and Maersk LNG acquisitions.

As indicated above, the Company had total capital expenditure commitments pertaining to newbuildings and conversions of approximately \$1.4 billion remaining as at September 30, 2011, with pre-arranged financing for \$185 million of this amount. The Company is in the process of obtaining debt financing for approximately \$1.1 billion of the \$1.2 billion of remaining unfinanced capital expenditure commitments which relate to the Knarr FPSO newbuilding, and the four shuttle tanker newbuildings that will be time-chartered out to a subsidiary of BG Group plc. In addition, the Teekay LNG Marubeni Joint Venture has received \$1.12 billion of financing commitments for its acquisition of interests in the Maersk LNG Carriers. Of the remaining \$280 million purchase price, Teekay LNG will finance its pro rata share using the net proceeds from its \$179.5 million offering of common units completed in early November 2011.

As part of the proposed transaction with Sevan, Teekay Offshore would directly acquire the *Piranema* FPSO for a total purchase price of approximately \$165 million. It is expected that Teekay Offshore would finance this FPSO unit through a new debt facility with the balance being financed using a portion of the net proceeds from the \$170 million private placement of Teekay Offshore common units. The other two Sevan FPSO units, the *Hummingbird* and *Voyageur*, would be acquired by the Company for an aggregate purchase price of approximately \$623 million (including the estimated cost to complete the remaining work related to the *Voyageur* FPSO upgrade), which is expected to be financed through a combination of the assumption of an existing \$230 million debt facility, a new debt facility and existing Teekay Parent liquidity.

Share Repurchase Program

In October 2010, the Company announced its intention to commence repurchasing shares under the Company's \$200 million share repurchase authorization. As of November 1, 2011, the Company had repurchased 5.2 million shares under the Company's existing authorization, representing a total cost of \$162 million. As a result of the proposed Sevan transaction, the Company has suspended any further share repurchases for the time being.

- more -

Conference Call

The Company plans to host a conference call on November 10, 2011 at 11:00 a.m. (ET) to discuss its results for the third quarter of 2011. An accompanying investor presentation will be available on Teekay's website at www.teekay.com prior to the start of the call. All shareholders and interested parties are invited to listen to the live conference call by choosing from the following options:

By dialing (800) 711-9538 or (416) 640-5925, if outside North America, and quoting conference ID code 8506814.

By accessing the webcast, which will be available on Teekay's website at www.teekay.com (the archive will remain on the website for a period of 30 days).

The conference call will be recorded and available until Thursday, November 17, 2011. This recording can be accessed following the live call by dialing (888) 203-1112 or (647) 436-0148, if outside North America, and entering access code 8506814.

About Teekay

Teekay Corporation provides a comprehensive set of marine services to the world's leading oil and gas companies, helping them seamlessly link their upstream energy production to their downstream processing operations. Teekay is growing its operations in the offshore oil production, storage and transportation sector through its publicly-listed subsidiary, Teekay Offshore Partners L.P. (NYSE: TOO), continues to expand its significant presence in the liquefied natural gas shipping sector through its publicly-listed subsidiary, Teekay LNG Partners L.P. (NYSE: TGP), and seeks to grow its conventional tanker business through its publicly-listed subsidiary, Teekay Tankers Ltd. (NYSE: TNK). With a fleet of 150 vessels, offices in 16 countries and approximately 6,400 seagoing and shore-based employees, Teekay transports approximately 10 percent of the world's seaborne oil and its reputation for safety, quality and innovation has earned it a position with its customers as The Marine Midstream Company.

Teekay's common stock is listed on the New York Stock Exchange where it trades under the symbol TK .

For Investor Relations enquiries contact:

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Web site: www.teekay.com

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TEEKAY CORPORATION
SUMMARY CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in thousands of U.S. dollars, except share and per share data)

| | Three Months Ended | | | Nine Months Ended | |
|---|---|---------------------------------|---|---|---|
| | September 30, 2011 (unaudited) | June 30, 2011 (unaudited) | September 30, 2010 (unaudited) | September 30, 2011 (unaudited) | September 30, 2010 (unaudited) |
| REVENUES ⁽¹⁾ | 468,106 | 484,922 | 467,952 | 1,441,052 | 1,593,044 |
| OPERATING EXPENSES | | | | | |
| Voyage expenses | 39,595 | 51,889 | 53,719 | 136,610 | 192,636 |
| Vessel operating expenses ⁽¹⁾⁽²⁾ | 172,372 | 174,717 | 159,570 | 508,666 | 464,897 |
| Time-charter hire expense | 47,433 | 53,414 | 68,023 | 163,877 | 222,650 |
| Depreciation and amortization | 107,746 | 105,236 | 109,194 | 318,018 | 328,658 |
| General and administrative ⁽¹⁾⁽²⁾ | 48,801 | 51,273 | 46,910 | 170,292 | 145,257 |
| Write-down of vessels/net loss on vessel sales | 91,809 | 5,812 | 24,173 | 101,214 | 24,955 |
| Goodwill impairment | 36,652 | | | 36,652 | |
| Restructuring charges | 69 | 458 | 3,240 | 5,490 | 11,218 |
| | 544,477 | 442,799 | 464,829 | 1,440,819 | 1,390,271 |
| (Loss) income from vessel operations | (76,371) | 42,123 | 3,123 | 233 | 202,773 |
| OTHER ITEMS ⁽¹⁾ | | | | | |
| Interest expense | (33,649) | (33,516) | (34,852) | (99,959) | (100,930) |
| Interest income | 2,394 | 2,457 | 3,466 | 7,316 | 9,949 |
| Realized and unrealized loss on derivative instruments ⁽¹⁾ | (219,570) | (102,140) | (133,241) | (298,453) | (440,313) |
| Income tax (expense) recovery | (1,487) | (2,022) | (8,571) | (4,321) | 3,882 |
| Equity loss from joint ventures ⁽¹⁾ | (40,624) | (6,053) | (16,010) | (40,282) | (40,503) |
| Foreign exchange gain (loss) | 26,230 | (7,157) | (28,717) | (1,267) | 27,797 |
| Other income (loss) net | 766 | 958 | 2,042 | 1,820 | (6,903) |
| Net loss | (342,311) | (105,350) | (212,760) | (434,913) | (344,248) |
| Less: Net loss (income) attributable to non-controlling interests | 51,149 | 8,898 | 26,717 | 17,645 | (8,945) |
| Net loss attributable to stockholders of Teekay Corporation | (291,162) | (96,452) | (186,043) | (417,268) | (353,193) |

Loss per common share of
Teekay

| | | | | | | | | | | |
|-----------|----|--------|----|--------|----|--------|----|--------|----|--------|
| - Basic | \$ | (4.20) | \$ | (1.36) | \$ | (2.55) | \$ | (5.90) | \$ | (4.84) |
| - Diluted | \$ | (4.20) | \$ | (1.36) | \$ | (2.55) | \$ | (5.90) | \$ | (4.84) |

Weighted-average number of
common shares outstanding

| | | | | | |
|-----------|------------|------------|------------|------------|------------|
| - Basic | 69,375,036 | 70,935,484 | 72,982,870 | 70,743,085 | 72,911,689 |
| - Diluted | 69,375,036 | 70,935,484 | 72,982,870 | 70,743,085 | 72,911,689 |

- (1) Realized and unrealized gains and losses related to derivative instruments that are not designated as hedges for accounting purposes are included as a separate line item in the statements of income (loss). The realized gains (losses) relate to the amounts the Company actually received or paid to settle such derivative instruments and the unrealized gains (losses) relate to the change in fair value of such derivative instruments, as detailed in the table below:

- more -

| | Three Months Ended | | | Nine Months Ended | |
|---|--------------------------|------------------|--------------------------|--------------------------|--------------------------|
| | September 30, 2011 | June 30, 2011 | September 30, 2010 | September 30, 2011 | September 30, 2010 |
| Realized (losses) gains relating to: | | | | | |
| Interest rate swaps | (32,447) | (32,692) | (37,197) | (99,136) | (116,417) |
| Interest rate swap resets and terminations | (34,426) | | | (127,098) | |
| Foreign currency forward contracts | | | | | |
| Vessel operating expenses | 4,065 | 3,337 | (818) | 8,618 | (2,212) |
| General and administrative expenses | 147 | 221 | | 477 | 49 |
| Bunkers, FFAs and other | (6) | (7) | 3,000 | 36 | (1,356) |
| | (62,667) | (29,141) | (35,015) | (217,103) | (119,936) |
| Unrealized (losses) gains relating to: | | | | | |
| Interest rate swaps | (142,697) | (73,331) | (116,045) | (74,170) | (325,883) |
| Foreign currency forward contracts | (14,324) | 540 | 17,837 | (7,076) | 5,784 |
| Bunkers, FFAs and other | 118 | (208) | (18) | (104) | (278) |
| | (156,903) | (72,999) | (98,226) | (81,350) | (320,377) |
| Total realized and unrealized (losses) gains on non-designated derivative instruments | (219,570) | (102,140) | (133,241) | (298,453) | (440,313) |

In addition, equity loss from joint ventures includes net unrealized losses from non-designated interest rate swaps held within the joint ventures of \$(26.6) million, \$(12.4) million and \$(18.2) million for the three months ended September 30, 2011, June 30, 2011, and September 30, 2010, respectively, and \$(34.8) million and \$(49.8) million for the nine months ended September 30, 2011 and September 30, 2010, respectively. In addition, equity loss from joint ventures includes an impairment of an investment in joint venture of \$19.4 million for the three and nine months ended September 30, 2011.

- (2) The Company has entered into foreign currency forward contracts, which are economic hedges of vessel operating expenses and general and administrative expenses. Certain of these forward contracts have been designated as cash flow hedges pursuant to GAAP. Unrealized gains (losses) arising from hedge ineffectiveness from such forward contracts are reflected in vessel operating expenses and general and administrative expenses in the above Summary Consolidated Statements of Income (Loss), as detailed in the table below:

| | Three Months Ended | | | Nine Months Ended | |
|--|--------------------------|------------------|--------------------------|--------------------------|--------------------------|
| | September 30, 2011 | June 30, 2011 | September 30, 2010 | September 30, 2011 | September 30, 2010 |

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| | | | | | |
|----------------------------|-------|-----------------|-----|-------|---------|
| Vessel operating expenses | (168) | (171) | 94 | (518) | (3,421) |
| General and administrative | (145) | 121 | 496 | 71 | (1,240) |
| | | - more - | | | |

TEEKAY CORPORATION
SUMMARY CONSOLIDATED BALANCE SHEET
(in thousands of U.S. dollars)

| | As at September 30, 2011 (unaudited) | As at June 30, 2011 (unaudited) | As at December 31 2010 (unaudited) |
|---|---|--|---|
| ASSETS | | | |
| Cash and cash equivalents | 775,403 | 497,549 | 779,748 |
| Other current assets | 364,356 | 394,095 | 343,027 |
| Restricted cash - current | 88,397 | 94,626 | 86,559 |
| Restricted cash - long-term | 492,987 | 493,970 | 489,712 |
| Vessels held for sale | | 8,300 | |
| Vessels and equipment | 6,583,413 | 6,585,418 | 6,573,388 |
| Advances on newbuilding contracts/conversions | 347,393 | 345,445 | 197,987 |
| Derivative assets | 163,409 | 104,613 | 83,198 |
| Investment in joint ventures | 202,186 | 217,584 | 207,633 |
| Investment in direct financing leases | 466,874 | 473,693 | 487,516 |
| Investment in term loans | 186,629 | 186,418 | 116,014 |
| Other assets | 167,856 | 172,044 | 188,482 |
| Intangible assets | 141,632 | 146,471 | 155,893 |
| Goodwill | 166,540 | 203,191 | 203,191 |
| Total Assets | 10,147,075 | 9,923,417 | 9,912,348 |
| LIABILITIES AND EQUITY | | | |
| Accounts payable and accrued liabilities | 388,637 | 422,117 | 423,359 |
| Other current liabilities | | 14,500 | 59 |
| Current portion of long-term debt | 446,156 | 813,909 | 543,890 |
| Long-term debt | 5,350,147 | 4,484,097 | 4,626,308 |
| Derivative liabilities | 697,317 | 462,899 | 531,235 |
| In process revenue contracts | 163,505 | 174,372 | 196,106 |
| Other long-term liabilities | 221,446 | 215,982 | 217,658 |
| Redeemable non-controlling interest | 39,147 | 39,604 | 41,725 |
| Equity: | | | |
| Non-controlling interests | 1,500,793 | 1,602,411 | 1,353,561 |
| Stockholders of Teekay | 1,339,927 | 1,693,526 | 1,978,447 |
| Total Liabilities and Equity | 10,147,075 | 9,923,417 | 9,912,348 |

- more -

TEEKAY CORPORATION
SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

| | Nine Months Ended | |
|---|--------------------------|--------------------|
| | September 30 | |
| | 2011 | 2010 |
| | (unaudited) | (unaudited) |
| Cash and cash equivalents provided by (used for) | | |
| OPERATING ACTIVITIES | | |
| Net operating cash flow | 51,746 | 346,903 |
| FINANCING ACTIVITIES | | |
| Net proceeds from long-term debt | 1,225,710 | 1,130,374 |
| Scheduled repayments of long-term debt | (184,624) | (146,572) |
| Prepayments of long-term debt | (430,860) | (954,133) |
| Increase in restricted cash | (5,306) | (75,246) |
| Repurchase of common stock | (118,036) | |
| Net proceeds from public offerings of Teekay LNG | 158,326 | 50,000 |
| Net proceeds from public offerings of Teekay Offshore | 19,877 | 221,492 |
| Net proceeds from public offerings of Teekay Tankers | 107,234 | 103,036 |
| Cash dividends paid | (70,124) | (69,615) |
| Distribution from subsidiaries to non-controlling interests | (152,985) | (113,598) |
| Other | 5,492 | 2,627 |
| Net financing cash flow | 554,704 | 148,365 |
| INVESTING ACTIVITIES | | |
| Expenditures for vessels and equipment | (550,368) | (176,238) |
| Proceeds from sale of vessels and equipment | 18,955 | 49,402 |
| Investment in term loans | (70,404) | (115,575) |
| Loans to joint ventures | (4,092) | 1,510 |
| Other | (4,886) | 15,577 |
| Net investing cash flow | (610,795) | (225,324) |
| (Decrease) increase in cash and cash equivalents | (4,346) | 269,944 |
| Cash and cash equivalents, beginning of the period | 779,748 | 422,510 |
| Cash and cash equivalents, end of the period | 775,403 | 692,454 |

- more -

TEEKAY CORPORATION
APPENDIX A SPECIFIC ITEMS AFFECTING NET INCOME (LOSS)

(in thousands of U.S. dollars, except per share data)

Set forth below is a reconciliation of the Company's unaudited adjusted net (loss) income attributable to the stockholders of Teekay, a non-GAAP financial measure, to net income (loss) attributable to stockholders of Teekay as determined in accordance with GAAP. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company's financial performance. The items below are also typically excluded by securities analysts in their published estimates of the Company's financial results. Adjusted net (loss) income attributable to the stockholders of Teekay is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP.

| | Three Months Ended | | Nine Months Ended | |
|--|---------------------------|-----------------------------|---------------------------|-----------------------------|
| | September 30, 2011 | | September 30, 2011 | |
| | (unaudited) | | (unaudited) | |
| | \$ | \$ Per | \$ | \$ Per |
| | | Share ⁽¹⁾ | | Share ⁽¹⁾ |
| Net loss - GAAP basis | (342,311) | | (434,913) | |
| Adjust for: Net loss attributable to non-controlling interests | 51,149 | | 17,645 | |
| Net loss attributable to stockholders of Teekay | (291,162) | (4.20) | (417,268) | (5.90) |
| Add (subtract) specific items affecting net loss: | | | | |
| Unrealized losses from derivative instruments ⁽²⁾ | 183,803 | 2.65 | 116,596 | 1.65 |
| Foreign currency exchange (gain) loss ⁽³⁾ | (27,006) | (0.39) | 1,936 | 0.03 |
| Writedown of vessels/net loss on vessel sales ⁽⁴⁾ | 111,220 | 1.60 | 120,625 | 1.70 |
| Goodwill impairment ⁽⁵⁾ | 36,652 | 0.53 | 36,652 | 0.52 |
| Upfront payments related to interest rate swap resets and interest rate swap termination | 34,426 | 0.50 | 127,098 | 1.80 |
| Restructuring charge ⁽⁶⁾ | 69 | | 5,488 | 0.08 |
| Deferred income tax expense on unrealized foreign exchange gains | | | 10,095 | 0.14 |
| Adjustments to pension accruals and stock based compensation ⁽⁷⁾ | | | 18,102 | 0.25 |
| Other net ⁽⁸⁾ | | | (6,232) | (0.09) |
| Non-controlling interests - share of items above | (88,570) | (1.27) | (117,785) | (1.66) |
| Total adjustments | 250,594 | 3.62 | 312,576 | 4.42 |
| Adjusted net loss attributable to stockholders of Teekay | (40,568) | (0.58) | (104,692) | (1.48) |

(1) Fully diluted per share amounts.

(2) Reflects the unrealized gains or losses relating to the change in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes, including those included in equity income (loss) from joint ventures, and the ineffective portion of foreign currency forward contracts designated as hedges for accounting purposes.

- (3) Foreign currency exchange gains and losses primarily relate to the Company's debt denominated in Euros and deferred tax liability denominated in Norwegian Kroner. A substantial majority of the Company's foreign currency exchange gains and losses are unrealized.
- (4) Relates to the write-down in the carrying value of certain smaller product tankers, certain older vessels and an investment in a joint venture.
- (5) Relates to impairment of goodwill of the Company's conventional tanker segment.
- (6) Restructuring charges relate to crew changes, reflagging of certain vessels, and global staffing changes.
- (7) Relates to one-time pension retirement payment to the Company's former President and Chief Executive Officer and accelerated timing of accounting recognition of stock-based compensation expense.
- (8) Relates to non-recurring adjustments to tax accruals.

- more -

TEEKAY CORPORATION
APPENDIX A SPECIFIC ITEMS AFFECTING NET INCOME (LOSS)

(in thousands of U.S. dollars, except per share data)

Set forth below is a reconciliation of the Company's unaudited adjusted net (loss) income attributable to the stockholders of Teekay, a non-GAAP financial measure, to net income (loss) attributable to stockholders of Teekay as determined in accordance with GAAP. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company's financial performance. The items below are also typically excluded by securities analysts in their published estimates of the Company's financial results. Adjusted net (loss) income attributable to the stockholders of Teekay is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP.

| | Three Months Ended September 30, 2010 (unaudited) | | Nine Months Ended September 30, 2010 (unaudited) | |
|--|--|--|---|--|
| | \$ | \$ Per Share ⁽¹⁾ | \$ | \$ Per Share ⁽¹⁾ |
| Net income – GAAP basis | (212,760) | | (344,248) | |
| Adjust for: Net income attributable to non-controlling interests | 26,717 | | (8,945) | |
| Net income attributable to stockholders of Teekay | (186,043) | (2.55) | (353,193) | (4.84) |
| Add (subtract) specific items affecting net income: | | | | |
| Unrealized gains from derivative instruments ⁽²⁾ | 115,025 | 1.58 | 373,125 | 5.12 |
| Foreign currency exchange losses (gains) ⁽³⁾ | 28,717 | 0.39 | (27,797) | (0.38) |
| Deferred income tax recovery on unrealized foreign exchange losses | 13,174 | 0.18 | (1,032) | (0.01) |
| Restructuring charge ⁽⁴⁾ | 3,240 | 0.04 | 11,218 | 0.15 |
| Loss on sale of vessels and equipment | 24,173 | 0.33 | 24,955 | 0.34 |
| Retroactive component of revenue recognized from contract amendment ⁽⁵⁾ | | | (59,200) | (0.81) |
| Loss on bond repurchase (8.875 percent notes due 2011) | | | 12,645 | 0.17 |
| Adjustments to carrying value of certain capitalized drydocking expenditures | 4,698 | 0.07 | 7,092 | 0.10 |
| Non-recurring adjustments to tax accruals | (1,927) | (0.03) | 4,915 | 0.06 |
| Other ⁽⁶⁾ | | | 739 | 0.01 |
| Non-controlling interests – share of items above | (54,324) | (0.74) | (76,711) | (1.05) |
| Total adjustments | 132,776 | 1.82 | 269,949 | 3.70 |
| Adjusted net loss attributable to stockholders of Teekay | (53,267) | (0.73) | (83,244) | (1.14) |

(1) Fully diluted per share amounts.

(2)

Reflects the unrealized gains or losses relating to the change in the mark-to-market value of derivative instruments that are not designated as hedges for accounting purposes, including those included in equity income (loss) from joint ventures, and the ineffective portion of foreign currency forward contracts designated as hedges for accounting purposes.

- (3) Foreign currency exchange losses primarily relate to the Company's debt denominated in Euros and deferred tax liability denominated in Norwegian Kroner. Nearly all of the Company's foreign currency exchange gains and losses are unrealized.
- (4) Restructuring charges relate to crew changes, reflagging of certain vessels, and global staffing changes.
- (5) Reflects the retroactive component of revenue recognized in the three and six months ended June 30, 2010 relating to the signing of the *Foinaven* FPSO contract amendment on March 30, 2010.
- (6) Relates to write-off of capitalized loan costs upon prepayments of long-term debt.

- more -

TEEKAY CORPORATION
APPENDIX B SUPPLEMENTAL FINANCIAL INFORMATION
SUMMARY BALANCE SHEET AS AT SEPTEMBER 30, 2011
(in thousands of U.S. dollars)
(unaudited)

| | Teekay Offshore | Teekay LNG | Teekay Tankers | Teekay Parent | Consolidation Adjustments | Total |
|--|----------------------------|-----------------------|---------------------------|--------------------------|--------------------------------------|-------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | 160,935 | 101,499 | 14,104 | 498,865 | | 775,403 |
| Other current assets | 108,084 | 17,586 | 7,876 | 230,810 | | 364,356 |
| Restricted cash (current & non-current) | | 578,563 | | 2,821 | | 581,384 |
| Vessels and equipment | 2,241,541 | 1,980,613 | 726,766 | 1,634,493 | | 6,583,413 |
| Advances on newbuilding contracts | 44,947 | 41,338 | | 261,108 | | 347,393 |
| Derivative assets | 8,463 | 152,536 | | 2,410 | | 163,409 |
| Investment in joint ventures | | 190,040 | 89 | 12,057 | | 202,186 |
| Investment in direct financing lease | 55,618 | 411,158 | | 98 | | 466,874 |
| Investment in term loans | | | 116,629 | 70,000 | | 186,629 |
| Other assets | 15,775 | 31,724 | 11,762 | 108,595 | | 167,856 |
| Advances to affiliates | 7,257 | 3,510 | 13,568 | (24,335) | | |
| Equity investment in subsidiaries | | | | 397,400 | (397,400) | |
| Intangibles and goodwill | 150,536 | 152,330 | | 5,306 | | 308,172 |
| TOTAL ASSETS | 2,793,156 | 3,660,897 | 890,794 | 3,199,628 | (397,400) | 10,147,075 |
| LIABILITIES AND EQUITY | | | | | | |
| Accounts payable and accrued liabilities | 95,642 | 56,244 | 11,648 | 225,103 | | 388,637 |
| Advances from affiliates | 39,561 | 78,452 | 2,322 | (120,335) | | |
| Current portion of long-term debt | 145,108 | 258,878 | 1,800 | 40,370 | | 446,156 |
| Long-term debt | 1,780,096 | 1,867,631 | 347,550 | 1,354,870 | | 5,350,147 |
| Derivative liabilities | 254,038 | 314,110 | 24,875 | 104,294 | | 697,317 |
| In-process revenue contracts | | | 185 | 163,320 | | 163,505 |
| Other long-term liabilities | 18,300 | 108,484 | 3,296 | 91,366 | | 221,446 |
| Redeemable non-controlling interest | 39,147 | | | | | 39,147 |
| Equity: | | | | | | |
| Non-controlling interests ⁽¹⁾ | 39,228 | 13,765 | | 713 | 1,447,087 | 1,500,793 |

| | | | | | | |
|--|-----------|-----------|---------|-----------|-------------|------------|
| Equity attributable to stockholders/ unitholders of publicly-listed entities | 382,036 | 963,333 | 499,118 | 1,339,927 | (1,844,487) | 1,339,927 |
| TOTAL LIABILITIES AND EQUITY | 2,793,156 | 3,660,897 | 890,794 | 3,199,628 | (397,400) | 10,147,075 |
| NET DEBT ⁽²⁾ | 1,764,269 | 1,446,447 | 335,246 | 893,554 | | 4,439,516 |

(1) Non-controlling interests in the Teekay Offshore and Teekay LNG columns represent the joint venture partners share of joint venture net assets. Non-controlling interest in the Consolidation Adjustments column represents the public s share of the net assets of Teekay s publicly-traded subsidiaries.

(2) Net debt represents current and long-term debt less cash and, if applicable, current and long-term restricted cash.

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TEEKAY CORPORATION
APPENDIX B SUPPLEMENTAL FINANCIAL INFORMATION
SUMMARY STATEMENT OF INCOME (LOSS) FOR THE THREE MONTHS ENDED SEPTEMBER 30,
2011

(in thousands of U.S. dollars)
(unaudited)

| | Teekay Offshore | Teekay LNG | Teekay Tankers | Teekay Parent | Consolidation Adjustments | Total |
|---|----------------------------|-----------------------|---------------------------|--------------------------|--------------------------------------|------------------|
| Revenues | 239,900 | 97,256 | 29,695 | 160,088 | (58,833) | 468,106 |
| Voyage expenses | 31,096 | 307 | 729 | 7,463 | | 39,595 |
| Vessel operating expenses | 71,641 | 22,366 | 10,908 | 67,457 | | 172,372 |
| Time-charter hire expense | 18,620 | | 1,610 | 86,036 | (58,833) | 47,433 |
| Depreciation and amortization | 46,905 | 23,032 | 10,797 | 27,012 | | 107,746 |
| General and administrative | 17,643 | 5,804 | 1,927 | 23,427 | | 48,801 |
| Write-down of vessels/net loss on vessel sales | 23,961 | | | 67,848 | | 91,809 |
| Goodwill impairment | | | 13,310 | 23,342 | | 36,652 |
| Restructuring charges | | | | 69 | | 69 |
| | 209,866 | 51,509 | 39,281 | 302,654 | (58,833) | 544,477 |
| Income (loss) from vessel operations | 30,034 | 45,747 | (9,586) | (142,566) | | (76,371) |
| Net interest expense | (9,090) | (10,553) | (728) | (10,884) | | (31,255) |
| Realized and unrealized loss on derivative instruments | (100,499) | (37,690) | (6,703) | (74,678) | | (219,570) |
| Income tax (expense) recovery | 3,528 | 176 | | (5,191) | | (1,487) |
| Equity income (loss) from joint ventures ⁽¹⁾ | | 891 | | (41,515) | | (40,624) |
| Equity in losses of subsidiaries | | | | (13,091) | 13,091 | |
| Foreign exchange (loss) gain | (342) | 29,480 | (3) | (2,905) | | 26,230 |
| Other net | 966 | 133 | (113) | (220) | | 766 |
| Net (loss) income | (75,403) | 28,184 | (17,133) | (291,050) | 13,091 | (342,311) |
| Less: Net (income) loss attributable to non-controlling interests ⁽²⁾ | (4,362) | (592) | | (112) | 56,215 | 51,149 |
| Net (loss) income attributable to stockholders/unitholders of publicly-listed entities | (79,765) | 27,592 | (17,133) | (291,162) | 69,306 | (291,162) |

| | | | | | |
|--|---------|--------|--------|----------|---------|
| CASH FLOW FROM VESSEL OPERATIONS ⁽³⁾ | 105,227 | 70,402 | 14,521 | (32,736) | 157,414 |
|--|---------|--------|--------|----------|---------|

- (1) Teekay Corporation's proportionate share of the net earnings of its publicly-traded subsidiaries.
- (2) Net (income) loss attributable to non-controlling interests in the Teekay Offshore and Teekay LNG columns represent the joint venture partners' share of the net income (loss) of the respective joint ventures. Net (income) loss attributable to non-controlling interest in the Consolidation Adjustments column represents the public's share of the net income (loss) of Teekay's publicly-traded subsidiaries.
- (3) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel/goodwill write-downs, gains or losses on the sale of vessels and unrealized gains and losses relating to derivatives, but includes realized gains and losses on the settlement of foreign currency forward contracts. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's website at www.teekay.com for a reconciliation of this non-GAAP financial measure as used in this release to the most directly comparable GAAP financial measure.
- (4) In addition to Teekay Parent's cash flow from vessel operations, Teekay Parent also receives cash dividends and distributions from its daughter public companies. For the three months ended September 30, 2011, Teekay Parent received/will receive daughter company cash dividends and distributions totaling \$34.9 million. The dividends and distributions received by Teekay Parent include those made with respect to its general partner interests in Teekay Offshore and Teekay LNG. Please refer to *Appendix D* to this release for further details.

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TEEKAY CORPORATION
APPENDIX B SUPPLEMENTAL FINANCIAL INFORMATION
SUMMARY STATEMENT OF INCOME (LOSS) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011
(in thousands of U.S. dollars)
(unaudited)

| | Teekay Offshore | Teekay LNG | Teekay Tankers | Teekay Parent | Consolidation Adjustments | Total |
|---|----------------------------|-----------------------|---------------------------|--------------------------|--------------------------------------|------------------|
| Revenues | 707,816 | 282,722 | 92,866 | 523,774 | (166,126) | 1,441,052 |
| Voyage expenses | 89,133 | 1,362 | 1,888 | 44,227 | | 136,610 |
| Vessel operating expenses | 221,968 | 66,561 | 31,362 | 188,775 | | 508,666 |
| Time-charter hire expense | 57,072 | | 1,610 | 271,321 | (166,126) | 163,877 |
| Depreciation and amortization | 138,636 | 67,552 | 32,374 | 79,456 | | 318,018 |
| General and administrative | 54,530 | 18,665 | 6,727 | 90,370 | | 170,292 |
| Write-down of vessels/net loss on vessel sales | 33,226 | | | 67,988 | | 101,214 |
| Goodwill impairment | | | 13,310 | 23,342 | | 36,652 |
| Restructuring charges | 3,924 | | | 1,566 | | 5,490 |
| Total operating expenses | 598,489 | 154,140 | 87,271 | 767,045 | (166,126) | 1,440,819 |
| Income (loss) from vessel operations | 109,327 | 128,582 | 5,595 | (243,271) | | 233 |
| Net interest expense | (26,170) | (31,167) | (2,904) | (32,402) | | (92,643) |
| Realized and unrealized loss on derivative instruments | (128,379) | (54,250) | (10,637) | (105,187) | | (298,453) |
| Income tax (expense) recovery | (2,162) | (778) | | (1,381) | | (4,321) |
| Equity income (loss) from joint ventures ⁽¹⁾ | | 12,395 | (2) | (52,675) | | (40,282) |
| Equity in earnings of subsidiaries | | | | 18,418 | (18,418) | |
| Foreign exchange loss | (748) | (412) | (32) | (75) | | (1,267) |
| Other net | 3,435 | (138) | (620) | (857) | | 1,820 |
| Net (loss) income | (44,697) | 54,232 | (8,600) | (417,430) | (18,418) | (434,913) |
| Less: Net (income) loss attributable ⁽²⁾ to non-controlling interests | (7,259) | (4,616) | | 162 | 29,358 | 17,645 |
| Net (loss) income attributable to stockholders/unitholders of publicly-listed entities | (51,956) | 49,616 | (8,600) | (417,268) | 10,940 | (417,268) |

| | | | | | |
|--|---------|---------|--------|--------------------------|---------|
| CASH FLOW FROM VESSEL OPERATIONS ⁽³⁾ | 292,393 | 200,607 | 51,279 | (101,694) ⁽⁴⁾ | 442,585 |
|--|---------|---------|--------|--------------------------|---------|

- (1) Teekay Corporation's proportionate share of the net earnings of its publicly-traded subsidiaries.
- (2) Net (income) loss attributable to non-controlling interests in the Teekay Offshore and Teekay LNG columns represent the joint venture partners' share of the net income (loss) of the respective joint ventures. Net (income) loss attributable to non-controlling interest in the Consolidation Adjustments column represents the public's share of the net income (loss) of Teekay's publicly-traded subsidiaries.
- (3) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, vessel/goodwill write-downs, gains or losses on the sale of vessels and unrealized gains and losses relating to derivatives, but includes realized gains and losses on the settlement of foreign currency forward contracts. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please see the Company's website at www.teekay.com for a reconciliation of this non-GAAP financial measure as used in this release to the most directly comparable GAAP financial measure.
- (4) In addition to Teekay Parent's cash flow from vessel operations, Teekay Parent also receives cash dividends and distributions from its daughter public companies. For the nine months ended September 30, 2011, Teekay Parent received/will receive daughter company cash dividends and distributions totaling \$107.2 million. The dividends and distributions received by Teekay Parent include those made with respect to its general partner interests in Teekay Offshore and Teekay LNG. Please refer to *Appendix D* to this release for further details.

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TEEKAY CORPORATION
APPENDIX C SUPPLEMENTAL FINANCIAL INFORMATION
TEEKAY PARENT SUMMARY OPERATING RESULTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011

(in thousands of U.S. dollars)

(unaudited)

Set forth below is a reconciliation of unaudited cash flow from vessel operations, a non-GAAP financial measure, to income from vessel operations as determined in accordance with GAAP, for Teekay Parent's primary operating segments. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate Teekay Parent's financial performance. Disaggregated cash flow from vessel operations for Teekay Parent, as provided below, is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP.

| | Spot Conventional Tanker | Fixed-rate Conventional Tanker | FPSO | Other ⁽¹⁾ | Teekay Parent Total |
|---|---|---|-------------|-----------------------------|------------------------------------|
| Revenues | 34,063 | 43,307 | 67,503 | 15,215 | 160,088 |
| Voyage expenses | 3,819 | 80 | | 3,564 | 7,463 |
| Vessel operating expenses | 8,332 | 13,994 | 43,083 | 2,048 | 67,457 |
| Time-charter hire expense | 44,812 | 16,951 | 13,527 | 10,746 | 86,036 |
| Depreciation and amortization | 5,359 | 5,994 | 14,562 | 1,097 | 27,012 |
| General and administrative | 8,253 | 4,695 | 8,795 | 1,684 | 23,427 |
| Write-down of vessels/net (gain) loss on vessel sales | 15,414 | 58,034 | (5,600) | | 67,848 |
| Goodwill impairment | 19,294 | 4,048 | | | 23,342 |
| Restructuring charges | 69 | | | | 69 |
| Total operating expenses | 105,352 | 103,796 | 74,367 | 19,139 | 302,654 |
| Loss from vessel operations | (71,289) | (60,489) | (6,864) | (3,924) | (142,566) |
| Reconciliation of (loss) income from vessel operations to cash flow from vessel operations | | | | | |
| Loss from vessel operations | (71,289) | (60,489) | (6,864) | (3,924) | (142,566) |
| Depreciation and amortization | 5,359 | 5,994 | 14,562 | 1,097 | 27,012 |
| Write-down of vessels/net (gain) loss on vessel sales | 15,414 | 58,034 | (5,600) | | 67,848 |
| Goodwill impairment | 19,294 | 4,048 | | | 23,342 |
| Amortization of in process revenue contracts and other | | | (10,798) | | (10,798) |
| Unrealized losses from the change in fair value of designated foreign exchange forward contracts | | 68 | 103 | | 171 |

| | | | | | |
|---|----------|-------|---------|---------|----------|
| Realized gains from the settlements of non-designated foreign exchange forward contracts/bunkers/FFAs | | 778 | 1,477 | | 2,255 |
| CASH FLOW FROM VESSEL OPERATIONS | (31,222) | 8,433 | (7,120) | (2,827) | (32,736) |

(1) Results of two chartered-in LNG carriers owned by Teekay LNG, one chartered-in FSO unit owned by Teekay Offshore, and one newbuilding shuttle tanker delivered in July 2011.

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TEEKAY CORPORATION
APPENDIX C SUPPLEMENTAL FINANCIAL INFORMATION
TEEKAY PARENT SUMMARY OPERATING RESULTS
FOR THE NINE MONTHS ENDED ENDED SEPTEMBER 30, 2011

(in thousands of U.S. dollars)

(unaudited)

Set forth below is a reconciliation of unaudited cash flow from vessel operations, a non-GAAP financial measure, to income from vessel operations as determined in accordance with GAAP, for Teekay Parent's primary operating segments. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate Teekay Parent's financial performance. Disaggregated cash flow from vessel operations for Teekay Parent, as provided below, is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP.

| | Spot Conventional Tanker | Fixed-rate Conventional Tanker | FPSO | Other ⁽¹⁾ | Teekay Parent Total |
|--|---|---|-------------|-----------------------------|------------------------------------|
| Revenues | 168,332 | 120,202 | 195,548 | 39,692 | 523,774 |
| Voyage expenses | 36,147 | 665 | | 7,415 | 44,227 |
| Vessel operating expenses | 27,395 | 36,127 | 120,609 | 4,644 | 188,775 |
| Time-charter hire expense | 165,184 | 42,900 | 30,402 | 32,835 | 271,321 |
| Depreciation and amortization | 15,593 | 17,894 | 43,686 | 2,283 | 79,456 |
| General and administrative | 27,830 | 12,959 | 26,910 | 22,671 | 90,370 |
| Write-down of vessels/net (gain) loss on vessel sales | 14,861 | 58,146 | (5,600) | 581 | 67,988 |
| Goodwill impairment | 19,294 | 4,048 | | | 23,342 |
| Restructuring charges | 123 | 16 | | 1,427 | 1,566 |
| Total operating expenses | 306,427 | 172,755 | 216,007 | 71,856 | 767,045 |
| Loss from vessel operations | (138,095) | (52,553) | (20,459) | (32,164) | (243,271) |

Reconciliation of (loss) income from vessel operations to cash flow from vessel operations

| | | | | | |
|---|-----------|----------|----------|----------|-----------|
| Loss from vessel operations | (138,095) | (52,553) | (20,459) | (32,164) | (243,271) |
| Depreciation and amortization | 15,593 | 17,894 | 43,686 | 2,283 | 79,456 |
| Asset impairments/net (gain) loss on vessel sales | 14,861 | 58,146 | (5,600) | 581 | 67,988 |
| Goodwill impairment | 19,294 | 4,048 | | | 23,342 |
| Amortization of in process revenue contracts and other | | | (32,394) | (2,610) | (35,004) |
| Unrealized (gains) losses from the change in fair value of designated foreign exchange forward contracts | | 24 | 213 | | 237 |
| | | 1,910 | 3,648 | | 5,558 |

Realized gains from the
settlements of non-designated
foreign exchange forward
contracts/bunkers/FFAs

**CASH FLOW FROM VESSEL
OPERATIONS**

| | | | | |
|----------|--------|----------|----------|-----------|
| (88,347) | 29,469 | (10,906) | (31,910) | (101,694) |
|----------|--------|----------|----------|-----------|

(1) Results of two chartered-in LNG carriers owned by Teekay LNG, one FSO unit owned by Teekay Parent, two newbuilding shuttle tankers delivered in May 2011 and July 2011 and includes one-time pension retirement payment to former President and CEO and non-cash stock-based compensation adjustments.

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TEEKAY CORPORATION
APPENDIX D SUPPLEMENTAL FINANCIAL INFORMATION
TEEKAY PARENT FREE CASH FLOW

(in thousands of U.S. dollars, except for per share/unit amounts)
(unaudited)

Set forth below is an unaudited calculation of Teekay Parent free cash flow for the three months ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010, and September 30, 2010. The Company defines free cash flow, a non-GAAP financial measure, as cash flow from vessel operations attributed to its directly-owned and in-chartered assets, distributions received as a result of ownership interests in its publicly-traded subsidiaries (Teekay LNG, Teekay Offshore, and Teekay Tankers), and its 49 percent ownership interest in Teekay Offshore Operating L.P., through March 8, 2011 when it sold this remaining interest to Teekay Offshore, net of interest expense and drydock expenditures in the respective period. For a reconciliation of Teekay Parent cash flow from vessel operations for the three months ended September 30, 2011 to the most directly comparable financial measure under GAAP please refer to *Appendix B* or *Appendix C* to this release. For a reconciliation of Teekay Parent cash flow from vessel operations to the most directly comparable GAAP financial measure for the three months ended June 30, 2011, March 31, 2011, December 31, 2010, and September 30, 2010, please see the Company's website at www.teekay.com. Teekay Parent free cash flow, as provided below, is intended to provide additional information and should not be considered a substitute for measures of performance prepared in accordance with GAAP.

| | Three Months Ended | | | | |
|---|-----------------------------------|--------------------------|---------------------------|----------------------------------|-----------------------------------|
| | September 30, 2011 | June 30, 2011 | March 31, 2011 | December 31, 2010 | September 30, 2010 |
| Teekay Parent cash flow from vessel operations | (32,736) | (27,425) | (41,532) | (21,674) | (29,394) |
| Daughter company distributions to Teekay Parent ⁽¹⁾ | | | | | |
| Common shares/units ⁽²⁾ | | | | | |
| Teekay LNG Partners | 15,881 | 15,881 | 15,881 | 15,881 | 15,125 |
| Teekay Offshore Partners | 11,181 | 11,181 | 11,181 | 7,030 | 7,030 |
| Teekay Offshore Operating L.P. (OPCO) ⁽³⁾ | | | | 15,000 | 15,000 |
| Teekay Tankers ⁽⁴⁾ | 2,417 | 3,384 | 4,028 | 3,545 | 4,995 |
| Total | 29,479 | 30,446 | 31,090 | 41,456 | 42,150 |
| General partner interest | | | | | |
| Teekay LNG Partners | 3,176 | 3,176 | 3,176 | 2,949 | 2,352 |
| Teekay Offshore Partners | 2,237 | 2,237 | 2,212 | 1,485 | 1,312 |
| Total | 5,413 | 5,413 | 5,388 | 4,434 | 3,664 |
| Total Teekay Parent cash flow before interest and drydock expenditures | 2,156 | 8,434 | (5,054) | 24,216 | 16,420 |
| Less: | | | | | |
| Net interest expense ⁽⁵⁾ | (16,920) | (18,012) | (19,214) | (25,855) | (27,224) |
| Drydock expenditures | (1,811) | (3,040) | (287) | (7,474) | (4,174) |
| | (16,575) | (12,617) | (24,555) | (9,113) | (14,978) |

**TOTAL TEEKAY PARENT
FREE CASH FLOW**

- (1) Cash dividend and distribution cash flows are shown on an accrual basis for dividends and distributions declared for the respective period.

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- (2) Common share/unit dividend and distribution cash flows to Teekay Parent are based on Teekay Parent's ownership on the ex-dividend date for the respective company and period as follows:

| | Three Months Ended | | | | |
|---|--------------------------|------------------|-------------------|-------------------------|--------------------------|
| | September 30, 2011 | June 30, 2011 | March 31, 2011 | December 31, 2010 | September 30, 2010 |
| Teekay LNG Partners | | | | | |
| Distribution per common unit | \$ 0.63 | \$ 0.63 | \$ 0.63 | \$ 0.63 | \$ 0.60 |
| Common units owned by Teekay Parent | 25,208,274 | 25,208,274 | 25,208,274 | 25,208,274 | 25,208,274 |
| Total distribution | \$ 15,881,213 | \$ 15,881,213 | \$ 15,881,213 | \$ 15,881,213 | \$ 15,124,964 |
| Teekay Offshore Partners | | | | | |
| Distribution per common unit | \$ 0.50 | \$ 0.50 | \$ 0.500 | \$ 0.475 | \$ 0.475 |
| Common units owned by Teekay Parent | 22,362,814 | 22,362,814 | 22,362,814 | 14,800,000 | 14,800,000 |
| Total distribution | \$ 11,181,407 | \$ 11,181,407 | \$ 11,181,407 | \$ 7,030,000 | \$ 7,030,000 |
| Teekay Tankers | | | | | |
| Dividend per share | \$ 0.15 | \$ 0.21 | \$ 0.25 | \$ 0.22 | \$ 0.31 |
| Shares owned by Teekay Parent ⁽⁴⁾ | 16,112,244 | 16,112,244 | 16,112,244 | 16,112,244 | 16,112,244 |
| Total dividend | \$ 2,416,837 | \$ 3,383,571 | \$ 4,028,061 | \$ 3,544,694 | \$ 4,994,796 |

- (3) Based on 49 percent interest owned directly by Teekay Parent. In March 2011, Teekay sold its remaining 49 percent interest in Teekay Offshore Operating L.P. to Teekay Offshore.

- (4) Includes Class A and Class B shareholdings.

- (5) Net interest expense includes realized gains and losses on interest rate swaps. Excludes upfront payment of \$92.7 million related to interest rate swap resets for the three months ended March 31, 2011 and excludes realized loss of \$34.4 million related to early termination of an interest rate swap agreement for the three months ended September 30, 2011.

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FORWARD LOOKING STATEMENTS

This release contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including statements regarding: tanker market fundamentals, including the balance of supply and demand in the tanker market and the impact of seasonal factors on spot tanker charter rates; the Company's position in the offshore and LNG shipping markets relative to its competitors; the timing and certainty of the Company's proposed acquisition of three FPSO units from Sevan and its equity investment in a recapitalized Sevan, including the purchase price to be paid by Teekay or Teekay Offshore to purchase the FPSO units, the equity ownership Teekay would acquire in a recapitalized Sevan for its \$25 million investment, the estimated remaining cost to complete the upgrade of the *Voyageur* FPSO unit, and the effect on the Company's offshore project development capabilities and pipeline of future offshore growth projects and consolidated forward fixed-rate revenues; the timing and certainty of Teekay LNG's acquisition, through the Teekay LNG Marubeni Joint Venture, of ownership interests in eight LNG carriers from A.P. Moller-Maersk, including the effect of this transaction on Teekay's consolidated forward fixed-rate revenues and general partner cash flows to Teekay Parent; the expected timing of newbuilding deliveries and in-chartered vessel redeliveries; the Company's future capital expenditure commitments and the debt financings that the Company expects to obtain for its remaining unfinanced capital expenditure commitments; and the Company's future business priorities. The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: changes in production of or demand for oil, petroleum products, LNG and LPG, either generally or in particular regions; greater or less than anticipated levels of tanker newbuilding orders or greater or less than anticipated rates of tanker scrapping; changes in trading patterns significantly affecting overall vessel tonnage requirements; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; changes in the typical seasonal variations in tanker charter rates; changes in the offshore production of oil or demand for shuttle tankers, FSOs and FPSOs; decreases in oil production by or increased operating expenses for FPSO units; trends in prevailing charter rates for shuttle tanker and FPSO contract renewals; failure to satisfy closing conditions for the transactions with A.P. Moller-Maersk; negotiation and finalization of definitive agreements for the proposed transactions with Sevan and any failure to satisfy related closing conditions, including obtaining approvals from Sevan's shareholders, Sevan's bondholders, regulatory authorities, Sevan FPSO charterers, and Sevan's syndicate of banks relating to the *Voyageur* FPSO; failure of the Teekay Offshore Board of Directors to approve the purchase of FPSO units offered by Teekay; the potential for early termination of long-term contracts and inability of the Company to renew or replace long-term contracts or complete existing contract negotiations; changes affecting the offshore tanker market; shipyard production delays and cost overruns; changes in the Company's expenses; the Company's future capital expenditure requirements and the inability to secure financing for such requirements, including the inability of Teekay Offshore to obtain acceptable financing to acquire any FPSO units from Teekay; the inability of the Company to complete vessel sale transactions to its public company subsidiaries or to third parties; conditions in the United States capital markets; and other factors discussed in Teekay's filings from time to time with the SEC, including its Report on Form 20-F for the fiscal year ended December 31, 2010. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEEKAY CORPORATION

Date: November 10, 2011

By: /s/ Vincent Lok
Vincent Lok
Executive Vice President and Chief Financial
Officer
(Principal Financial and Accounting Officer)